

Property Maintenance and Management: Property Preservation Matrix and Reference Guide

Effective Date: 12/15/10

I. Property Preservation Matrix

As indicated in the Fannie Mae Single-Family Servicing Guide, Part VIII, Chapter 1, Section 106, throughout the foreclosure process the servicer is responsible for performing all property maintenance functions to ensure that the condition and appearance of the property are maintained satisfactorily.

Servicers should refer to the Fannie Mae Property Preservation Matrix below for property preservation allowable reimbursement amounts. Where the cost of the contemplated preservation work exceeds these amounts, the request will be submitted via HomeTracker. All pertinent supporting information and documentation that would assist Fannie Mae in making a sound and complete property preservation decision should be included. Photos should be submitted as attachments to each applicable line item. This Property Preservation Matrix supplements, but does not replace, the guidance contained in Part VIII, Section 106 of the Servicing Guide.

If the Servicer has not acquired access to Hometracker, the Fannie Mae Request for Repair Form 1095 in excel format should be completed manually and submitted with supporting photo documentation via email to property_preservation@fanniemae.com.

Fannie Mae Property Preservation Matrix (allowable amount is per occurrence)

Property Preservation Type	Comments
Roof Repair	
Tarping or patchwork	Up to \$400 for 10x20 sq ft area
Boarding	
Windows	75 UI or less \$70 76-100 UI \$90 101-125 UI \$115
Slider door	Up to \$160
Security Door	Up to \$250
Crawl Space	Up to \$60
Lock Changes and Securing	
Knoblock Knob lock and Deadbolt	Up to \$60 each
Padlock Padlock and hasp	up to \$40 each
Slider lock	Up to \$25 each
Window lock	Up to \$25 each

Property Preservation Type	Comments
Hazards	
Cleaning Refrigerator or Cleaning stand alone freeze	Up to \$100 each
Cleaning toilet	Up to \$75 each
Capping wires	Up to \$10 each
Capping gas/water	Up to \$50 each
Removing gas can(s) or Propane tank(s)	Up to \$15 each
Swimming Pool	
Secure pool	Up to \$400
Lawn Maintenance	
Initial Lawn Cut (up to 10,000 sq ft)	Up to \$100
Initial Lawn Cut (up to 15,000 sq ft)	Up to \$150
Regular Lawn Maintenance Cut (up to 10,000)	Up to \$80
Regular Lawn Maintenance Cut (up to 15,000)	Up to \$100
Winterization	
Snow Removal	Up to \$75 one time only if needed to secure property.
Winterization/De-winterization	Up to \$200 for first unit and up to \$80 per each additional unit.
Other	
Emergency funds	Up to \$500
Sump Pump	Up to \$300
Water/Gas/Electric/Unclassified utility	Up to \$75 for one time shut off/transfer fee of each
Vacant Property Registration (VPR)	Actual cost to register per local requirement

II. Property Preservation and Management Reference Guide

Specific service requirements for pre foreclosure property preservation are as follows:

Roof Repair

When an active leak is discovered appropriate measures should be taken to preserve the property by stopping the leak. Fannie Mae typically does not encourage replacing roofs prior to sale, but in cases where the servicer feels that this is necessary a first and second bid will be submitted to Fannie Mae for consideration.

Do not tarp flat roofs.

Tarp or Patchwork

Fannie Mae requires that when roof repairs exceed allowable, a bid to tarp, except as noted above and a bid to patch must be submitted simultaneously on the same HomeTracker P&P form.

Include: dimensions of affected area, location of damage, active or inactive leak, and amount of bid to complete work, full photo documentation, and advise Fannie Mae whether an insurance claim has been filed.

Boarding

Properties should not be boarded unless it is necessary to prevent vandalism, where required by local ordinance, or when windows are broken. The allowable for any security door and/or crawl space will include the cost of boarding and padlock(s). United Inches (UI) is calculated by adding length and width (e.g., a 25x60 window is 85 UI).

Lock Changes and Securing

Servicers are required to secure a rear or a secondary door for access on vacant properties, including the main dwelling and all outbuildings.

Slider locks and window locks should be placed only if existing locks are inoperable or not present on the main level and where accessible.

Health and Safety

REFRIGERATOR/FREEZER

The Fannie Mae allowable for cleaning includes the removal of all perishables from both the refrigerator and freezer in addition to a wipe down of the appliance's interior and exterior. A separate allowable is provided for a stand alone freezer(s) to include removing all perishables and a wipe down of the appliance's interior and exterior.

TOILET/BATHROOM

The Fannie Mae allowable for cleaning should be used when fecal matter is present. This allowable also includes cleaning with a toilet brush, wiping down exterior, and winterizing, if in season.

GAS/WATER

Bare wires and uncapped or open gas/water lines are required to be capped regardless of utility status.

FUEL REMOVAL

The Fannie Mae allowable for removal of gas can(s) or propane tank(s) does not include removing equipment that contains gas or propane (e.g., lawnmower, weed eater, grill, etc.).

Swimming Pool

Servicers are required to drain, secure, and tarp or board where required by local ordinance. The allowable may be used for meeting local ordinance and is not limited to the following: draining, securing, locking gates, and repairing gate/fence panels that surround the pool/hot tub. Securing is defined by Fannie Mae as the confirmation that all fences and gates are intact, secured, and a minimum of four feet high.

- Servicers must verify local ordinance and association standards regarding pools, draining, treatment, and water levels. All trash located within the pool must be removed.
- If the pool is already covered and the cover is secure, Servicers must verify if additional fencing or securing is required by local ordinance or association.
- All gates and doors leading to pool access must be secured by lock or padlock.
- All missing sections of gates or fencing surrounding pool must be replaced.
- Spas/Hot Tubs must be secured to local code.
- Above ground pools shall be treated the same as in-ground pools and follow same guidelines.

If a violation has been posted a copy of that document is required by Fannie Mae when considering any bid to secure/treat the pool or pool area.

Lawn Maintenance

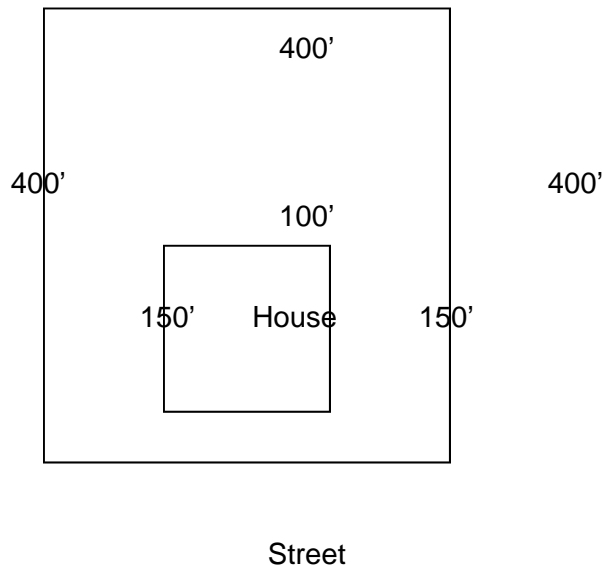
INITIAL GRASS CUTS

Initial grass cuts should be performed on lots up to 15,000 sq ft. If lot size is greater than 15,000 sq ft, initial full lot and subsequent cuts and initial perimeter and subsequent perimeter cuts should be submitted simultaneously. Perimeter is defined as 100x150 or 15,000 sq ft.

DEBRIS IN YARD/SHRUBS

Incidental debris removal should be included as part of the allowable grass cut as well as edging, minimal leaf removal, and clearing of all grass cut clippings. The yard and its surroundings should be in model condition upon completion of the yard maintenance. Bids are required for shrub trimming when shrubs affect condition, access to the property, or where local ordinance dictates.

Diagram of Perimeter example:



GRASS CUT SCHEDULE

Initial grass cuts should be made between April 1 and October 31 in the following states/territories:

AR, CO, CT, DE, ID, IL, IN, IA, KS, KY, ME, MD, MA, MI, MN, MO, MT, NE, NH, NJ, NY, NC, ND, OH, OK, OR, PA, RI, SD, TN, UT, VT, VA, WA, WV, WI, WY, DC.

Initial grass cuts may be completed during **any month** of the year in the following states/territories:

AL, AZ, CA, FL, GA, HI, LA, MS, NM, NV, SC, TX, the Caribbean, and the Pacific Islands

Initial grass cuts are allowed from **June 1 to September 30** in the state of: AK

One initial grass cut should be performed per calendar year.

GRASS RE-CUTS

Grass should typically be cut twice a month between April 1 and October 31. Approval is required if more frequent re-cuts are necessary. Re-cuts once a month may be sufficient depending on conditions. Prior approval for re-cuts from November 1 to March 31 must be obtained unless otherwise prescribed below:

- Re-cuts may be completed all year in CA, FL, HI, NM, the Caribbean, and the Pacific Islands.
- Re-cuts may be completed from April 1 to November 30 in AL, AR, GA, LA, MS, OK, SC, and TX.
- Re-cuts may be completed from June 1 to September 30 in AK.
- Re-cuts may be completed once per month in CA, CO, NM, UT, and WY.
- Prior approval is required for all re-cuts in AZ and NV.
- Refer to previous GRASS CUT SCHEDULE within this document for details.

Winterization

Generally, all properties should be winterized between October 1 and March 31.

Winterizations are allowed during any month of the year in the following states:

AK, CT, IA, IL, IN, MA, ME, MI, MN, MT, ND, NE, NH, NY, OH, PA, RI, SD, VT, WI

Properties should be winterized only once. The property may be re-winterized only if the initial winterization is deemed to be no longer effective. The Servicer must submit bids to Fannie Mae for winterization prior to the work being done. Winterizations should include shutting off the water source either at the curb or the main interior water supply if it is not possible to shut it off at the curb. Winterization also includes a complete draining of all plumbing and heating systems. For properties where water services and utilities are shared with other units, such as condominiums, the utilities should be maintained. The water service should also be maintained if needed for wet winterizations.

Additional Information

EMERGENCY REPAIRS

The most important element to defining an emergency is that an immediate response is necessary to prevent damage or lessen the loss of property. Gradual and progressive deterioration or lack of property maintenance does not qualify as an emergency.

SUMP PUMPS

If an existing sump pump is used to keep basements or crawl spaces dry, check the sump pump to make sure it is operational. If the sump pump in question is electrical, ensure that the sump pump is plugged into a power source and the electricity to the property is turned on and if necessary, transfer the electricity into the servicer's name. If the sump pump is inoperable, the servicer may use the allowable to replace the pump.

UTILITY TRANSFERS

If required for preservation, the Servicer must transfer utilities into their name during pre-foreclosure proceedings.

VACANT PROPERTY REGISTRATION (VPR)

If local ordinance requires a vacant property to be registered, servicers should follow requirements. Reimbursement will be provided only for the registration fee.

CODE VIOLATIONS

If any violations are posted on a property the Servicer must submit a bid to correct the violation(s) via HomeTracker if amounts exceed Fannie Mae's allowable and attach a copy of the violation to the bid. The servicer should note in the comments section of the HomeTracker P&P form that the violation has been submitted.

PROPERTIES IN BANKRUPTCY

Servicers should consult with their legal department when addressing issues of vacant properties in bankruptcy.

DISCOLORATION

Identify the source of the discoloration. Fannie Mae typically does not remediate discoloration during pre-foreclosure proceedings. When submitting bids to treat discoloration, include the area affected in square feet. Include the cause/source of discoloration and exact method to be used in treatment.

DEBRIS REMOVAL

Interior and exterior items submitted as debris may be considered personal property by the mortgagor. As a result, Fannie Mae does not typically consider the removal of any items during foreclosure proceedings.

The following are examples of items typically not removed from the interior: toothpaste, medicine, household cleaning products, and paint thinner, dry or canned goods, paint cans with secured lids, oil in secure containers, alcohol, fire extinguishers, car batteries, broken glass or tires.

PERSONAL PROPERTY

Fannie Mae will not usually consider removal or storage of personal property prior to foreclosure with exceptions regarding code violations, liens, fines or discolored debris caused by water damage. Servicers should consult their legal department and provide acknowledgment of approval to remove personal property in the comment section of the bid.

Items located on the exterior of the home should be moved to the garage or a secured area. **Do not submit** requests to remove personal property. Examples include, but are not limited to, the following:

- Vehicles (autos, trailers, boats, recreational vehicles, motorcycles, etc.)
- Building materials
- Clothing
- Furniture
- Lawn and Garden equipment